

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building
Room 2B
9:00 a.m.
July 11, 2018

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing and Education Director
Kadee Wright, Chief Investigator*
Justin Barney, Hearing Officer
Chad Tengler, Real Estate Analyst
Elizabeth Harris, Assistant Attorney General
Amber Nielsen, Board Secretary
Marvin Everett, Investigator
Tim Cuthbertson, Investigator
Lark Martinez, Division Staff
Mike Page, Division Staff
Desha Pages, Division Staff

*Appeared via telephone

COMMISSION MEMBERS PRESENT

George Richards, Chair
Kay Ashton, Vice Chair*
Cathy J. Gardner, Commissioner
G. Scott Gibson, Commissioner

*Arrived at 9:05 a.m.

PUBLIC PRESENT

Paxton Guymon
Ana Tello
Caesar Vargas

The meeting on July 11, 2018 of the Utah Residential Mortgage Regulatory Commission began at approximately 9:03 a.m. with Chair Richards conducting. Commissioner Hiatt was excused from the meeting today. Commissioner Ashton was absent from the start of the meeting.

PLANNING AND ADMINISTRATIVE MATTERS

Election of Officers for Upcoming Year – The Commission agreed to delay the election until later in the meeting when Vice Chair Ashton arrives.

Approval of Minutes – A typo was noted for correction from the word “not” to “note” on the June 22, 2018 minutes. A typo was noted for correction from “with allows”

to “which allows” on the June 6, 2018 minutes.

A motion was made and seconded to approve the June 6, 2018 minutes as corrected. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes. The motion is approved.

A motion was made and seconded to approve the June 14, 2018 minutes as written. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

A motion was made and seconded to approve the June 22, 2018 minutes as corrected. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

Public Comment Period

No public comment was made.

DIVISION REPORTS

Director’s Report – Jonathan Stewart

Director Stewart reported Allen McNeil is no longer with the Division and has gone to work in the private sector. The Division has hired Chad Tengler as the new analyst. Director Stewart introduced Mr. Tengler worked in real estate for five years and has been an attorney for two years.

Director Stewart briefly discussed legislation for next year. He mentioned he is unsure who will sponsor the bill. He reported the only thing currently on the list for legislation regards transitional licensing from banks or other states. He asked if the Commission has suggestions for legislative changes to let the Division know.

Enforcement Report –

Director Stewart reported in Ms. Wright’s absence. He reported in June the Division received 6 complaints; opened 5 cases; closed 1 cases; leaving 83 open mortgage cases. The AG’s office has 4 cases.

Ms. Harris presented stipulations to the Commission for consideration.

Stipulations for Review

Bradley R. Beus

Education/Licensing Report – Mark Fagergren

Mr. Fagergren discussed the licensing statistics. He reported there seems to have been a steady growth. He remarked that licensing peaks in December and then drops off at renewal.

Mr. Fagergren reported the Division has contacted the NMLS regarding the RAP Back Fingerprinting. The NMLS’s position is that Utah doing RAP Back Fingerprinting

will be redundant with the new system they will have in place. After some discussion the Commission decided to not take any action on implementing the RAP Back Fingerprinting.

Mr. Fagergren reported on the meeting with Pearson VUE on June 22nd to review the test. Commissioners Gardner and Gibson, 8 members of the public, and Division staff comprised the committee. He stated he appreciated the contributions of all those involved. The participation was valuable to make sure the questions are accurate.

Mr. Fagergren reported there have been several Lending Manager applicants who will apply using one method, and, when the application is denied, will reapply using alternative experience for seemingly the same time period. He asked the Commission for some direction on how to handle applications like this. There was some discussion on possible scenarios. The Commission ultimately recommended the Division use their best discretion, and to deny any applications they determine worthy of denial. The Commission stated they would gladly review any appealed denials.

COMMISSION AND INDUSTRY ISSUES

Mr. Barney reported the rule amendment which was proposed has passed through public comment, receiving no comments. A motion was made and seconded to make the rule amendment effective today. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved with concurrence from Director Stewart.

Election of Officers for Upcoming Year – A motion was made and seconded to keep Chair Richards and Vice Chair Ashton in place for the upcoming year. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

A motion was made and seconded to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

CLOSED TO PUBLIC

An executive session was held from 9:32 a.m. to 9:52 a.m.

OPEN TO PUBLIC

Prior to the beginning of the Informal Hearing, Commission Gardner had one further question regarding the stipulation for consideration.

The meeting continued at 9:54 a.m. for the Informal Hearing in the Matter of the Application of Ana Maria Tello to Act as a Lending Manager with Chair Richards presiding. Prior to the start of the hearing, Chair Richards disclosed he has a professional relationship with Mr. Guymon; he does not believe this will create a conflict of interest. There were no objections to Chair Richards continuing to preside.

INFORMAL HEARING

9:54 a.m. Ana Maria Tello – Respondent
 Paxton Guymon, Counsel for Respondent
 Chad Tengler, Counsel for Division
 Marvin Everett, Witness for Division
 Caesar Vargas, Witness for Respondent

A brief recess was held from 11:21 a.m. until 11:27 a.m. The hearing continued following the brief recess.

The hearing for Ms. Tello concluded at 11:36 a.m.

A motion was made and seconded to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

CLOSED TO PUBLIC

An executive session was held from 11:36 a.m. to 12:08 p.m.

OPEN TO PUBLIC

Results of Executive Session

Bradley R. Beus – Approved with Division Concurrence

Ms. Tello will be notified by mail of the Commission's decision.

A motion was made to adjourn the meeting. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved. The meeting adjourned at 12:09 p.m.